



House of Commons
Committee of Public Accounts

**Jobcentre Plus:
Delivering effective
services through
Personal Advisers**

Fifty–sixth Report of Session 2006–07

*Report, together with formal minutes, oral and
written evidence*

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to be printed 18 July 2007*

The Committee of Public Accounts

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The following were also Members of the Committee during the period of the enquiry:

Greg Clark MP (*Conservative, Tunbridge Wells*)
Helen Goodman MP (*Labour, Bishop Auckland*)
Mr Sadiq Khan MP (*Labour, Tooting*)
Sarah McCarthy-Fry MP (*Labour, Portsmouth North*)

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Publication

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at <http://www.parliament.uk/pac>. A list of Reports of the Committee in the present Session is at the back of this volume.

Committee staff

The current staff of the Committee is Mark Etherton (Clerk), Philip Jones (Committee Assistant), Emma Sawyer (Committee Assistant), Pam Morris (Secretary), Anna Browning (Secretary), and Alex Paterson (Media Officer).

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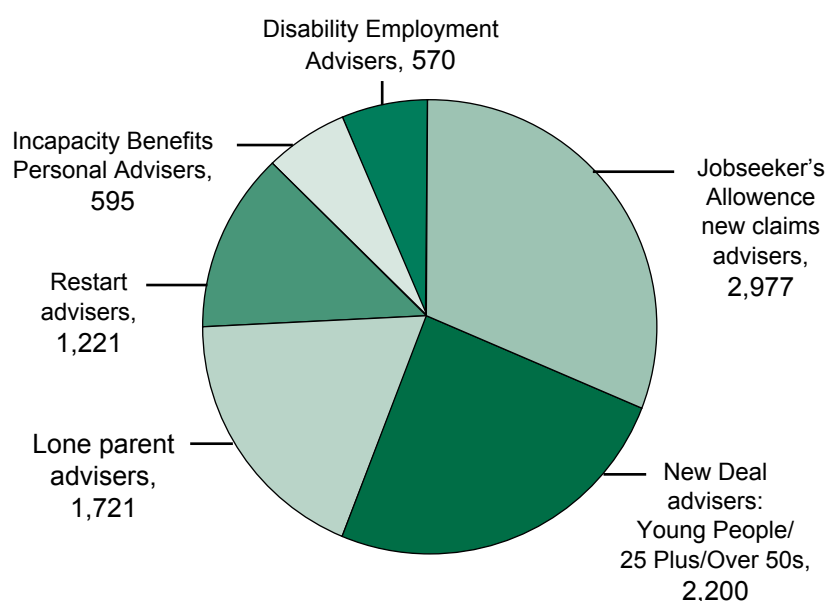
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Summary

Personal Advisers assess the needs of people looking for work and point them towards the right kind of assistance needed to find a job. In 2005–06, Jobcentre Plus had 9,300 Advisers of different types (**Figure 1**) at a salary cost of £238 million. Between them, they conducted 10.8 million jobseeker interviews for a wide range of different clients including lone parents, older workers and people on incapacity benefits. They are also the gateway to the various New Deal programmes, which collectively have cost £5 billion since 1997, and they have a responsibility to ensure that those on benefits who are required to do so are actively seeking work.

Figure 1: There are around 9,300 Personal Advisers



Note: The number of advisers are estimated full time equivalents, averaged for the months April 2005 to February 2006. Jobcentre Plus' best estimate is a total of 9,285, which it reaches by deducting, from the totals it records as 'adviser', a percentage for administrative support staff and Adviser Managers

Source: Jobcentre Plus activity-based management information

Research evidence from a range of independent sources such as the OECD suggests that proactive approaches to tackling unemployment such as using personal advisors are associated with improvements in unemployment levels, and research with customers suggests that advisers are viewed as valuable in identifying work and training, and in building up confidence. The employment rate in the United Kingdom has risen over the past decade and is fairly stable at around 74–75%, the highest in the G7 group of countries.

The Government aims to increase the employment rate to 80%, which has never been achieved before and will require many more of the harder-to-help (in particular, those on Incapacity Benefits) to enter employment. Personal Advisers will be crucial for achieving this and demands for their services are likely to increase under the proposals outlined in the Welfare Reform Bill, in particular, the reform of incapacity benefits. To be able to meet the demand Jobcentre Plus has introduced diary support officers to take administrative work from advisers. The agency also expects to outsource two-thirds of any additional

work generated by the reforms.

The advisers' main role is to help people find work. Their effectiveness depends on the extent to which they spend time advising customers. Currently advisers spend only 52% of their time in face-to-face interviews with customers, which is significantly less than for advisers in benchmarked organisations overseas and in the private and voluntary sectors. Advisers currently average 28 interviews a week, although Jobcentre Plus aims, where appropriate, to increase this to 35 a week, or 65% of time spent with customers. Interviews last from 20 minutes to an hour (with an average of 41 minutes), depending on the particular programme the customer is part of and what stage of looking for work they have reached.

While some of the Personal Adviser time that is not spent with customers is appropriately used on training, additional tasks and necessary paperwork, there remains a proportion that is wasted waiting for clients to turn up and on unnecessary, repetitious and burdensome administrative tasks that could be simplified or delegated. For example, 89% of the advisers surveyed experienced telephone or personal interruptions during interviews with customers once a day or more; around 14% of interviews are missed when the customer fails to turn up, costing an estimated £16 million each year; call centre errors and benefit payment delays add time consuming and unwelcome tasks to adviser workload; and IT systems can be slow and cumbersome and some parts do not have basic functionality that would be expected in a modern office.

Some 24% of the gains to 2008 from the Government's Efficiency Programme are expected to come from increases in the productive time of staff. Improving the amount of time personal advisers spend with customers is a key element in helping Jobcentre Plus achieve its efficiency targets and in helping it to be effective in achieving its organisational objectives of helping people find work. Against this background, the Committee examined the Department on the findings in the Comptroller and Auditor General's Report.¹ In particular, we considered the effectiveness of advisers; how customers are helped to meet their responsibilities; and improving the customer experience.

Conclusions and recommendations

- 1. The Department for Work and Pensions faces the difficult task of assisting more than 1 million people on benefit into work, many of whom are lone parents, older workers out of the job market for many years and people on Incapacity Benefit.** To meet this challenge, Jobcentre Plus should regularly segment its hard to help customers so that it has reliable up-to-date information on their specific requirements. Combined with good knowledge of employers' short and medium term skill needs and available training opportunities, it should then be better placed to provide advice and support that is likely to be effective. The tax and benefit system should be neutral in terms of giving mothers a choice to stay at home or work.
- 2. Compared with other organisations offering similar services, advisers within Jobcentre Plus spend an average of around 20% less time face-to-face with customers.** It is currently aiming to increase customer facing time from around 52% to 65% by increasing the average number of interviews a week from 28 to 35 per adviser wherever possible. To do so while maintaining the quality of the contact and without putting advisers under pressure to reduce the average length of an interview, Jobcentre Plus should: take care to protect advisers from unnecessary administrative work; keep interruptions to interviews to a minimum by protecting privacy within the open plan office environment; and allow more discretion and flexibility to advisers on how they handle individual cases.
- 3. Considerable amounts of repetitious, time-consuming paperwork reduce the amount of time Personal Advisers can spend with customers.** Jobcentre Plus should reduce the current paperwork used by Personal Advisers in the same way that the Department for Work and Pensions has recently reviewed and rationalised its suite of leaflets after National Audit Office scrutiny. Specifically, it could reduce the need to write customer details on many forms by having a way of capturing them just once; using coversheets showing a change in date or time and so replacing the need to complete a whole new set of paperwork; and by amalgamating similar forms.
- 4. The new Diary/Administrative Support Officers will free up advisers from administrative work but administrative support is often the first casualty of attempts to reduce costs or staff numbers.** It would be counterproductive not to treat the Support Officers as essential to front line delivery in any consideration of job reductions, given the benefits in having support staff to manage diaries, remind customers of their appointments and complete necessary paperwork. Any consideration of changes amongst these staff should take into account the significant gains derived from freeing up personal advisers, including the savings in benefit secured by helping people into work.
- 5. In 2005–06, customers failed to attend around 1.8 million scheduled interviews, whilst customers turned up late on average for around one in six interviews.** Non-attendance at interviews costs £16 million and together with late attendance wastes personal adviser time. Jobcentre Plus could do more to remind customers of their responsibilities and take practical steps to secure timely attendance or early notification of non-attendance. In particular, it could schedule appointments for

non-Jobseeker's Allowance customers at appropriate times (for example, avoiding school hours for parents) and take account of the availability of local transport for rural customers; highlight better the key appointment details on letters (for example, with different coloured paper); use text messages and phone calls to remind customers of impending appointments; and keep records of those who arrive late for appointments and targeting them for remedial action, particularly those who may lead disordered lives.

6. **The productivity of Personal Advisers is affected by slow or problematic IT, with nearly half of advisers experiencing delays daily.** Many of the shortcomings in the IT system are simple but nevertheless irritating for staff and reduce their efficiency, for example, by requiring them to rekey identical information for every new customer or by making it hard to print out information they need. Changing IT systems can be costly but given what the Department pays its supplier for IT support it should press for simple improvements in order to help save adviser time.
7. **Nearly two-thirds of advisers surveyed said that recent reforms within Jobcentre Plus had not made their jobs easier.** It would be unreasonable to expect advisers to be protected from all changes elsewhere in the organisation, but the business cases for significant organisational reforms within the agency should include a robust assessment of the impact on Personal Advisers, who, by helping people to find work, and thus helping reduce benefit dependency, can make a significant contribution to saving public money.

1 Using Personal Advisers effectively

1. The 9,300 Personal Advisers employed by Jobcentre Plus operate from the newly created network of nearly 900 Jobcentre Plus offices and, in 2005–06, carried out 10.8 million interviews at a salary cost of £238 million. As a key element of the Government’s Welfare to Work policies, advisers help people find work by diagnosing barriers to employment such as lack of skills, and assisting them to overcome these barriers by advising, for example, on making job applications and preparing for work. They also have a responsibility as a “gatekeeper” to the benefits system by ensuring that those who are required to do so are actively seeking work as a condition of receiving benefit.² Independent research, including from the OECD, suggests that assistance of the kind provided by Personal Advisers is linked with improvements in unemployment levels.³

2. Advisers assess the level of help that each customer needs, which will vary depending on the customer’s situation and benefit status (**Figure 2**).⁴ All jobseekers are required by statute to confirm every two weeks that they are actively seeking work and certain categories of people (such as those aged 18–24 who have been unemployed for six months) are required to take part in the New Deal programmes, involving job-search activities or training. For others—for example, single parents claiming Income Support—involvement on a New Deal is voluntary.

Figure 2: Jobcentre Plus offers different levels of support tailored to different needs

Customer situation and benefit status	Customer job-search approach	Interaction with Personal Adviser
Customers with significant barriers to employment e.g. illness/lack of childcare. Claiming either Income Support (IS) or Incapacity Benefit (IB)	Find it difficult to look for a job until after underlying barriers to employment are addressed e.g. healthcare or childcare provision.	Mandatory interviews at certain key times. Customer may volunteer to take part in more regular interviews.
Customers with poor employment history: either long-term unemployed or series of short Jobseeker’s Allowance (JSA) claims alternating with short-term jobs.	Likely reliance on Jobcentre Plus channels and New Deal provision for finding a job, particularly adviser job-searches. Likely to need to help to improve jobseeking skills.	Mandatory interviews at certain key times. Must join New Deal programme at 18 months (six months for under 25s). Early entry to New Deal is available if appropriate.
Customers with good employment history, out of labour market for a while, e.g. parents returning to work. Claiming either JSA, IS or IB.	Job search using a mixture of Jobcentre Plus and external channels, including jobpoints, Jobseeker Direct, newspapers and websites. May need training to update skills.	A mixture of mandatory and voluntary help from the Personal Adviser, depending on benefits claimed and customer need.
Customers who have worked recently, e.g. made redundant. Short-term claimants of JSA.	Typically follow up job vacancy adverts from Jobcentre Plus and externally, including newspapers, websites and Jobseeker Direct.	Initial New Claim Interview. Advisers are encouraged to refer customers to external channels.
People already working who wish to change jobs, e.g. professionally qualified individuals. Not on benefit	Typically use networking, private recruitment agencies, third party websites and trade journals to find a new job.	None.

Source: Comptroller and Auditor General’s Report

2 C&AG’s Report para 1, Q 28

3 C&AG’s Report para 19

4 C&AG’s Report para 6, Figure 5

3. The amount of time that Personal Advisers spend advising customers and the quality of this contact is crucial to their effectiveness. Currently, around 52% of adviser time is spent interviewing customers.⁵ Other time is spent in training, performance monitoring and completing paperwork. The percentage of customer-facing time that Personal Advisers spend with customers is lower than for benchmarked organisations abroad and in the private and voluntary sectors, some of which report customer interaction times of up to 80%.⁶ While it may be true that Jobcentre Plus advisers carry out additional functions or work with a more challenging spectrum of customers, which makes comparisons difficult, there is clearly room to improve processes towards benchmark levels.

4. Personal Advisers' efficiency and effectiveness are constrained by a wide range of minor obstacles which can occur many times a week. These include customers failing to turn up or coming late (paragraph 10), but also include having to correct errors such as wrongly booked appointments made by contact centres, and diary management and IT problems. For example, advisers reported to the National Audit Office that on average the IT system ran slowly 10 times a week. Advisers also spend time completing paperwork and retyping information that cannot be copied from place to place because of limitations in the IT systems. Jobcentre Plus confirmed that its systems were undergoing a technology refresh to provide a more user-friendly system. They have also commissioned work which allows for the transfer of certain data across IT systems and are exploring further areas where duplication of input can be avoided.⁷

5. Jobcentre Plus acknowledges that the current average of 28 interviews per adviser per week may not be optimal and is working towards increasing it to 35 interviews a week, or approximately 65% of customer-facing time.⁸ Measures include the introduction of 1,300 officers to provide support in managing diaries and take on some of the administrative burden. There will also be experienced adviser managers to help improve the quality of interviews and general staff management. Early indications are that these moves are leading to enhanced productivity.⁹ Jobcentre Plus has to balance the drive to increase the number of people interviewed with the need to maintain a high quality service to help people move into work.¹⁰

6. The Welfare Reform Bill and the further roll out of the Pathways to Work approach to helping people off Incapacity Benefit through job advice and rehabilitation assistance are likely to increase the demand for adviser time,¹¹ but Jobcentre Plus was unable to say whether they would meet this demand by recruiting new staff, shortening interviews or outsourcing work, although their current plans do not include recruiting more staff. Radically shortening the length of interviews (which currently average 41 minutes) is also

5 C&AG's Report, para 1, 48

6 C&AG's Report, para 49

7 Qq 61–63, Ev 1

8 C&AG's Report, para 49

9 C&AG's Report, para 46; Q3

10 Q 14, Q 52

11 Qq 3, 5

unlikely since these must remain effective in helping people find work, although the exact pattern or duration of interviews has not yet been decided.¹²

7. Ensuring that properly trained advisers are available to help customers with a range of needs is key to providing a good service. Around 45% of advisers had more than five year's experience and they are encouraged to obtain qualifications in advice and guidance. A system of quality assessments is now in place for advisers.¹³ At the time of the Comptroller and Auditor General's report, Jobcentre Plus did not have accurate data on the numbers, location and specialism of its advisers.¹⁴ Since then, the agency said the problem had been rectified and the effect of introducing a new Activity Based Management System was that for 2007–08 it had a more effective way of tracking the use of resources, including distinguishing between different grades of staff and incorporating staff costs, volumes and labour market interviews. An analysis of advisers by region suggests they have been deployed broadly to match customer numbers.¹⁵

8. In order to maintain or improve their quality, Jobcentre Plus must have an effective way of measuring their performance. Changes to the performance targets and monitoring regime mean that Jobcentre Plus will no longer be able to rate advisers' performance by looking at the records of job entries they generate.¹⁶ Under the new regime, the number of people moving off benefits and into work will be measured at district level, but not by individual office or adviser. The Agency feels that monitoring the process and the compliance with interview standards are sufficient to assess performance, and are an acceptable alternative to measurable outcomes at the individual and office level. The number of successful job placements will still be known at the district and regional level, although there will be a time lag of a number of months in the information flow.¹⁷

12 C&AG's Report, para 34; Qq 6, 7, 8

13 C&AG's Report, paras 38, 39; Q15

14 C&AG's Report, para 36

15 Q17; C&AG's Report, para 35; Ev 1

16 Qq 9, 10, 11, 55

17 C&AG's Report, paras 44, 44, 45; Qq 9, 10, 11; Ev 1

2 Helping customers to meet their responsibilities

9. Jobcentre Plus has contact with a large number of people. Around 4.6 million people claim a main working-age benefit (Jobseeker's Allowance, Income Support or Incapacity Benefits). Every day, around 16,000 new claims are made and 4,000 people are helped into work. Employment rates are above 70% in every region of the country except London (69.4%), but the Government now aims to get another 1 million people off benefit and into work, including 300,000 lone parents, increasing the number and range of customers who advisers will be expected to help. Success would result in an employment rate of 80% which the country has not seen before.¹⁸ In helping people into work, consideration should be given to the childminding costs incurred by single parents returning to work and the impact on children.¹⁹

10. Personal advisers can only assist customers who attend their interviews. In 2005–06, customers failed to attend around 1.8 million scheduled interviews, at an estimated cost of £16 million in lost adviser time.²⁰ In some cases people have decided not to take their claim for benefit further, perhaps because they have found a job. In other cases people forget to attend. Analysis of the available data indicates that Incapacity Benefit customers are more likely to miss interviews than others, suggesting that health factors are partly the cause. In addition, the National Audit Office's survey of personal advisers showed that, on average, five customers per adviser per week arrive late for their appointments, also wasting adviser time and introducing delays for other customers throughout the day. Jobcentre Plus does not keep records of customers who are late.²¹

11. To counter the problem of non-attendance, Jobcentre Plus has introduced diary support officers to remind customers, some of whom have chaotic lifestyles, about impending appointments.²² Jobcentre Plus is also using more modern methods of reminding people about appointments such as text messaging, as well as sending letters about initial appointments. Early indications are that these measures have already had a small but noticeable impact on attendance rates.

12. Jobcentre Plus has nearly completed the roll-out of its network of almost 900 offices. With the closure of some 600 old style and small offices and the relocation of Jobcentre Plus offices into town centres, some people in rural areas face longer journeys to attend mandatory interviews and signing on appointments.²³ When coupled with other difficulties such as problems with childcare or infrequent buses, long journeys may lead to missed appointments, although most jobcentres are within easy access of public transport.

18 C&AG's Report, para 5; Ev 1

19 Qq 80, 81

20 C&AG's Report, para 58; Q 12

21 C&AG's Report, Technical Appendix Two

22 Q 12

23 Qq 29–33, 36–39

Jobcentre Plus does not currently offer reimbursement for travel expenses for mandatory interviews for initial claims for benefits.

13. Unemployed people claiming state benefits have responsibilities as well as rights and benefit payments are conditional upon claimants meeting these responsibilities. Customers who are regularly unable to attend their mandatory interviews may find it difficult to show that they are properly meeting their obligations to look for work. Some of these people may have mental health problems, as do around 40% of Incapacity Benefit claimants. There is some flexibility for advisers to waive interviews or to delay them where they may not be appropriate in terms of a customer's medication cycle or general wellbeing.²⁴

14. Personal Advisers have discretion as to whether to accept the reasons given by individuals who do not attend their interviews. Where Advisers do not accept the reason, or none is forthcoming, there is a statutory procedure to follow in order to impose sanctions. The case may be referred to a Sanction Decision Maker to decide on the basis of the evidence, including from the customer. If a customer does not attend a new claims interview for Jobseeker's Allowance or Income Support their claim is disallowed and they will not start to receive benefits. Existing customers receive a formal warning and five days to provide a good reason for missing the interview. If this explanation is not satisfactory, sanctions can be applied as high as a 20% reduction in benefit for each missed interview.²⁵ Jobcentre Plus reports in 2005–06 there was a total of 154,800 "fail to attend referrals", with sanctions applied in 115,050 cases (74%).²⁶

24 Q 41

25 C&AG's Report, para 54

26 Qq 57–60, Ev 1

3 Improving the customer experience

15. Customers value the service they receive from their Personal Advisers, particularly when they see the same advisor with whom they are able to build up a relationship. Customers will be handled by the same person during the initial intervention period, but if they gain a job and then return to benefits, they may be allocated a new adviser. Evidence from research with customers suggests most advisers are considered to be approachable and provide valuable support. Customers have however also reported that advisers often appear busy and do not always have sufficient time to deal with their case appropriately. On average Personal Adviser spend 41 minutes with each customer, although the figure varies by customer and also depending on the purpose of the interview.²⁷

16. The process for looking for a job now starts by the customer telephoning Jobcentre Plus Direct, which is a call centre service. Staff identify which benefit a customer may apply for and arrange a time to call the customer back to take further details, normally within 24 hours. The next step will be an appointment with a personal adviser. While the ability to conduct much of an initial claim for benefit via the telephone can simplify the process and benefit people in rural areas, there are some customers for whom the telephone is not the best way of interacting with a government agency.²⁸ Customers with mental health difficulties or those people whose first language is not English may find dealing with a contact centre more difficult than speaking to an official face-to face.

17. Contact centre performance has been poor in the past as the Committee reported earlier this year,²⁹ and in some areas both advisers and customers complain of delays in booking interviews and of errors which can have an impact on the length of time people must wait before receiving benefits.³⁰ Jobcentre Plus believes that performance has now substantially improved and they are revising the process for handling first contact claims for benefit. By May 2007, they had completed the rollout of a national 0800 freephone service for all customers who wish to make new or repeat claims to benefit.³¹ Many errors and delays are also caused by customers failing to provide the necessary corroborating evidence in good time to enable the claim to proceed. On occasion customers are asked several times for the information and have 30 days to provide it.³²

18. Customers with complex needs or specialised circumstances want advisers who are understand the barriers they face and who are able to offer effective support. Currently advisers in larger offices tend to specialise in one or two customer groups. Multi-skilled generalist advisers, able to deal with the broad spectrum of claims, may be necessary in smaller jobcentre offices. Jobcentre Plus pointed to the need for staffing flexibility and the

27 C&AG's Report, paras 20–22; Qq 14, 26

28 C&AG's Report, Figure 4; Q41

29 53rd Report from the Department for Work and Pensions, *Delivering effective services through contact centres*, 2005–06

30 C&AG's Report, Figure 10, para 62; Qq 20–21

31 Ev 12

32 Q 21

ability for advisers to be trained to deal with more than one customer group. A lack of specialist advisers could disadvantage customers with more complex or unusual needs.³³

19. Aspects of the experience of seeking a job have improved in recent years. There have been developments in the physical environment with the creation of the Jobcentre Plus office network. In the past to sign on for benefit people had to wait in long queues in uninviting social security offices, whereas they now make appointments to be seen. Information about jobs was available only for the local area, whereas now people can also use touchscreen terminals to search for details of jobs anywhere in the country. Personal advisers do however operate in open plan offices, which can lead to some lack of privacy, and also result in interviews being interrupted by other customers.³⁴

20. The benchmarking work undertaken by the National Audit Office suggests that the relationship with customers is influenced by the culture and philosophy of the advisory service. Other employment organisations say adviser flexibility and autonomy to experiment with different methods of helping the customer is central to their success, whereas Jobcentre Plus advisors appear to be more constrained in the approaches they can take to help people find work.³⁵ External providers also say that their relationship with some customers is helped by being distanced from the formal requirements of the benefits and sanctions regime. Arrangements in the United Kingdom are however less stringent than in parts of the United States of America where there is, for example, a greater expectation that mothers of young children will return to work.³⁶

33 Q 18

34 C&AG's Report, paras 8, 9, 61

35 Q 13; C&AG's Report, para 28

36 Qq 79-80

Formal Minutes

Wednesday 18 July 2007

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon

Mr Philip Dunne

Mr David Curry

Dr John Pugh

Mr Ian Davidson

Draft Report

Draft Report (Jobcentre Plus: Delivering effective services through Personal Advisers), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 20 read and agreed to.

Conclusions and recommendations read and agreed to.

Summary read and agreed to.

Resolved, That the Report be the Fifty-sixth Report of the Committee to the House.

Ordered, That the Chairman make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned until Wednesday 10 October at 3.30 pm.]

Witnesses

Wednesday 7 February 2007

Ms Lesley Strathie, Chief Executive, Jobcentre Plus, **Mr Nick Owen**, Head of Labour Market and Employer Products and Services, Jobcentre Plus, and **Ms Sharon White**, Director, Welfare to Work, Department for Work and Pensions

Ev 1

List of written evidence

Department for Work and Pensions

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Third Report	Collections Management in the National Museums and Galleries of Northern Ireland	HC 109 (Cm 7035)
Fourth Report	Gas distribution networks: Ofgem's role in their sale, restructuring and future regulation	HC 110 (Cm 7019)
Fifth Report	Postcomm and the quality of mail services	HC 111 (Cm 7018)
Sixth Report	Gaining and retaining a job: the Department for Work and Pensions support for disabled people	HC 112 (Cm 7019)
Seventh Report	Department for Work and Pensions: Using leaflets to communicate with the public about services and entitlements	HC 133 (Cm 7020)
Eighth Report	Tackling Child Obesity—First Steps	HC 157 (Cm 7020)
Ninth Report	The Paddington Health Campus Scheme	HC 244 (Cm 7076)
Tenth Report	Fines Collection	HC 245 (Cm 7020)
Eleventh Report	Supporting Small Business	HC 262 (Cm 7076)
Twelfth Report	Excess Votes 2005–06	HC 346
Thirteenth Report	Smarter Food Procurement in the Public Sector	HC 357 (Cm 7077)
Fourteenth Report	Ministry of Defence: Delivering digital tactical communications through the Bowman CIP Programme	HC 358 (Cm 7077)
Fifteenth Report	The termination of the PFI contract for the National Physical Laboratory	HC 359 (Cm 7077)
Sixteenth Report	The Provision of Out-of-Hours Care in England	HC 360 (Cm 7077)
Seventeenth Report	Financial Management of the NHS	HC 361 (Cm 7077)
Eighteenth Report	DFID: Working with Non-Governmental and other Civil Society Organisations to promote development	HC 64 (Cm 7077)
Nineteenth Report	A Foot on the Ladder: Low Cost Home Ownership Assistance	HC 134 (Cm 7077)
Twentieth Report	Department of Health: The National Programme for IT in the NHS	HC 390 (Cm 7152)
Twenty-first Report	Progress in Combat Identification	HC 486 (Cm 7151)
Twenty-second Report	Tax credits	HC 487 (Cm 7151)
Twenty-third Report	The office accommodation of the Department for Culture, Media and Sport and its sponsored bodies	HC 488 (Cm 7152)
Twenty-fourth Report	Ofwat: Meeting the demand for water	HC 286 (Cm 7151)
Twenty-fifth Report	Update on PFI debt refinancing and the PFI equity market	HC 158 (Cm 7152)
Twenty-sixth Report	Department for Work and Pensions: Progress in tackling pensioner poverty—encouraging take-up of entitlements	HC 169 (Cm 7152)
Twenty-seventh Report	Delivering successful IT-enabled business change	HC 113
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Thirty-sixth Report	Reserve Forces	HC 729

Thirty-seventh Report	Child Support Agency: Implementation of the Child Support Reforms	HC 812
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Oral evidence

Taken before the Committee of Public Accounts

on Wednesday 7 February 2007

Members present:

Mr Edward Leigh, in the Chair

Mr Richard Bacon
Mr Ian Davidson
Mr Philip Dunne

Mr Austin Mitchell
Mr Alan Williams
Mr Iain Wright

Sir John Bourn KCB, Comptroller and Auditor General, and **Jeremy Lonsdale**, Director, National Audit Office, were in attendance.

Marius Gallaher, Alternate Treasury Officer of Accounts, HM Treasury, was in attendance.

REPORT BY THE COMPTROLLER AND AUDITOR GENERAL

JOBCENTRE PLUS: DELIVERING EFFECTIVE SERVICES THROUGH PERSONAL ADVISERS (HC 24)

Witnesses: **Lesley Strathie**, Chief Executive, Jobcentre Plus, **Nick Owen**, Head of Labour Market and Employer Products and Services, Jobcentre Plus, and **Sharon White**, Director, Welfare to Work, Department for Work and Pensions, gave evidence.

Q1 Chairman: Good afternoon. Today we are considering the Comptroller and Auditor General's Report, *Jobcentre Plus: Delivering Effective Services Through Personal Advisers*. We welcome Lesley Strathie, who is Chief Executive of Jobcentre Plus, Sharon White, who is head of the Welfare to Work Directorate, which is at the Department of Work and Pensions, and Nick Owen, who is head of Labour Market Products at Jobcentre Plus. Ms Strathie, why do these Personal Advisers spend, on average, only half their time helping customers find work?

Ms Strathie: I assume that you are referring to the 52% of time they spend interviewing customers.

Q2 Chairman: The reference is paragraph 48 if you want to see it in the Report.

Ms Strathie: I do not think we should assume that means that is the only time that our Advisers spend helping customers. That is the agreed findings from the NAO Report which we welcome and accept in terms of the time that they are customer facing and interviewing customers.

Q3 Chairman: It works out, according to this paragraph, at 28 interviews a week. I may be being unfair, but that does not sound a lot of interviews a week when you are a Personal Adviser and that is your job to meet the public personally.

Ms Strathie: If your question is do we think it is enough, the answer is no, but if we think the average interview with a Personal Adviser is 41 minutes and we are looking at increasing that and trying to find different methods of increasing their time and productive customer facing time. What you will need to know is that, since we accepted the recommendations of the NAO Report, we have

restructured the use of the entire advisory resource. We have implemented our standard organisation model which means that we have appointed a thousand adviser managers and we have almost completed the appointment of 1,300 diary and admin support staff. We have tried to increase productivity through up-skilling and better quality management and we have tried to unburden our advisers of a lot of the admin work and diary support work.

Q4 Chairman: If we were looking at this in a year's time how many interviews on average a week would your Personal Advisers be conducting?

Ms Strathie: I do not know the answer but if we got to 65 it would be 35 a week.

Q5 Chairman: Is 35 a week your aim?

Ms Strathie: No. I am answering your question. If we achieved 35 a week, that would be 65% of the time front facing. At the moment we do not really know the answer because there is a balance to be struck between quantity and quality. At the end of the day the work focused interviews, and Jobcentre Plus advisers did 10.8 million of them last year, they are about moving people closer to the labour market and into work. At the moment we are looking at how we measure all that work and how we get the right levers in place to get the right outcomes which is people, especially those most disadvantaged, back into the labour market and back into work. We do not know the answer to the number yet.

Q6 Chairman: The Bill going through Parliament, the Government is trying to move a million people from benefit to paid employment so there is going to be a lot more customers who need help. How will

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you cope with these extra numbers without reducing the amount of time that each client spends with a Personal Adviser?

Ms Strathie: I think we are on a journey at the moment. For example, as we have rolled out the new Jobcentre Plus model and new service, and we are almost at the end of that, we have been incrementally introducing an incapacity benefit specialist adviser who handles people. Once we put the new model in place in each location we handle people who arrive with a medical certificate wishing to claim incapacity benefit and they will be given special advice. We have also rolled out our Pathways to Work model in a third of the country now with our plans in place for the next two-thirds of the country.

Q7 Chairman: I will put the question again because there is no point in getting a long answer about various mechanisms. That does not actually answer the question. In general terms are these clients going to spend the same amount of time with the Personal Advisers?

Ms Strathie: The incapacity benefit customers, who will be claimants to the new Employment and Support Allowance, will have a whole series of interventions from specialist advisers and that will be delivered in partnership through the private and voluntary sector.

Q8 Chairman: I will try for a third time. I think you said earlier that on average they are spending 41 minutes. Given that we are now going to try and move another million people from benefit into paid employment with a lot more customers coming in, will on average these new and existing clients still have, on average, 41 minutes with a Personal Adviser? There is no point, is there, in getting many more people streaming into the system who, by definition, because they have not got a job at the moment are the more difficult clients. There is no point in encouraging them into the system if they are not spending adequate time with a Personal Adviser. That is the whole point of the system to be personal. It probably does take a good 41 minutes to work through this.

Ms Strathie: That is the average time. We do a whole range of interviews. Yes, they will still have a Personal Adviser service. The detail of the next two phases is not completely in place yet because they will be private and voluntary sector led. These are our customers; they are not new. The help they are going to get is going to be an increased package and that is what the Welfare Reform Bill will bring about but these are not new customers. They are customers of Jobcentre Plus and, yes, we will spend the time. Will it be 41 minutes on average? That will be built up over a period of time because there are a whole series of other help that people will get through our partners.

Q9 Chairman: I think the answer is we do not know. We have to try and work out who are the good and bad performing advisers. You have changed your systems, have you not? If we look at paragraphs 44 and 45, it seems from reading those paragraphs that

we now cannot tell how an individual adviser, or even an individual office, is performing. We may have a less bureaucratic system of assessment. We may know how a district or region is performing, but you have very little information on how a Personal Adviser is performing. Is that fair?

Ms Strathie: No, that is not true. This refers to the job outcome target, which is a new measure introduced this year. This is our first year of learning, if you like. That is the total outcome for the customer as measured by those people who start work and go through the tax system. We measure what happens to customers at the end of it.

Q10 Chairman: Would you please look at paragraph 45 on page 19, where it says in this Report that you agreed to: "However, it will not be possible to attribute job outcomes to individual offices or advisers". So the question I put to you was entirely fair. If it was not fair why did you sign up to this Report?

Ms Strathie: It is a fair question and I am trying to answer it. This refers to the job outcome for the customer. We measure advisers by a series of interventions we ask them to take the customer through in their journey back to work. That includes the number of interviews we want them to do and the quality of what happens. Basically it is the job of the adviser to do some diagnostic work on the barriers to employment to identify what help we can give them; if they are job ready, what do we need to do to get them towards job applications and successful entry? If they are not job ready, what sort of interventions do we need to have with them to move them further in that journey? We have put in place a whole series of quality assurance framework and an achievement tool to measure those activities. That is quite separate. This is the overall job outcome for the entire business, not just for Personal Advisers.

Q11 Chairman: The simple answer to my question is that you will be able to assist individually how Personal Advisers carry out their work.

Ms Strathie: Yes.

Q12 Chairman: If we look at the number of people who turn up for their scheduled appointments—this is dealt with in paragraph 52 onwards—we see that customers do not turn up for 1.8 million interviews a year at a cost of £16 million. What more are you doing to try and get people to turn up?

Ms Strathie: When I mentioned the three key actions that we had gone ahead in implementing the diary admin support manager role, part of the job that they have is maximising the diary time that is available for interviewing customers and work focused interviews and then doing everything we can to support the customer to turn up including telephone calls the day before to confirm. Not all of our customers lead very orderly lives with diaries, et cetera, so we do try and we have improved that already and will continue to do so.

Q13 Chairman: What lessons are you learning from the private sector?

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Ms Strathie: Much of the programmes of intervention we have, the labour market support has been built up incrementally over the years, much of which has come from different tests from the private sector. For example, our employment zones, which are private sector delivery, we take the learning from those and then test how we apply that more broadly in the business. Adviser Discretion Fund would be one example where we did not give ourselves the flexibility we gave to the private sector but we learned the benefits of a small amount of money helping track the difference between someone being able to start work and not.

Q14 Mr Wright: I am going to incur the wrath of my Chairman and start by saying I disagree with him to some extent. I think that 28 interviews a week is quite a lot. Given that we need to have a first class service for people moving from incapacity benefit into work, to be able to manage that caseload seems quite high. Bearing in mind what the Chairman said about getting a million people into work who might not have worked for some considerable time, if at all, how on earth are you going to deal with that?

Ms Strathie: For everybody who says that 28 is not enough there will always be somebody who says that 28 is too many and that is why I say we do not know the right answer. We have been delivering Personal Adviser services for a very long time and incrementally with different groups of customers and customers with different needs. The 41 minutes is an average. We average it out across all the customers groups and it depends on the extent to which the Adviser is involved. For example, a first interview with someone who has an expectation that they are going to claim incapacity benefit and do nothing in return and get nothing in return and no help, that first interview of taking somebody on a journey towards the expectation to work could be quite lengthy, and Advisers build up a rapport with their customers. On the other hand, an advisory interview may be very quickly brought to a head. 28 is where we are; we are taking steps to drive that up. 30 would get us to something that we would think hard beyond that.

Q15 Mr Wright: Looking at paragraph 22, page 13, it says: “The researches found that Personal Advisers are highly valued by all groups, but some customers felt that Advisers were always very busy, rushing through their appointments and failing to contact customers in between appointments”. That shows that, given where you said we are making a journey, the journey is going to be a bit bumpy and turbulent, is it not, because if they are failing to contact the customers now it will get a lot worse?

Ms Strathie: The fact is that we have tried to improve by setting benchmarks for the various things we want to do by upskilling and the admin support. One of the reasons why our advisers are very busy, as quite rightly pointed out in the Report, is the burden of admin tasks on them. We have introduced that support role and it is making a difference already. It is early days but we also need a mechanism for constantly upskilling those people so

that we can do more in the interview and we have that in place with a quality assurance framework and an Adviser achievement tool to help support them.

Q16 Mr Wright: You mention the admin support officers. That seems to me to be entirely sensible in order to reduce some of the bureaucracy by these frontline services. Given the Government’s policy of pushing resources away from the back office function towards front of office, and given that DWP has to make something like 5% real efficiency savings, is this not the first thing that will go and that we will just be back to square one? If you need to keep within the budget they are going to have to go, are they not?

Ms Strathie: If we look at the story so far, the reductions that Jobcentre Plus has made on its headcount and in making that reduction it has actually increased the jobs that have moved from back office to front office. It is important to stress the language here. If we look at what Sir Peter Gershon was talking about in terms of productive time, time spent in frontline activity, we have modernised the business from a single channel where you walk into a social security office or job centre to dealing through contact centre services and e-channels as well as job centres. We have a very good track record already of protecting our advisory resource. By March 2008 we have a target for Jobcentre Plus of around 9,000. We have already achieved about 7,500 of those moving from back office to a customer facing role.

Q17 Mr Wright: Moving to paragraph 36, the last sentence: “In addition, the Agency’s systems do not allow it to know accurately how many of each type of Personal Adviser it employs—such as Lone Parent advisers, New Deal advisers and Incapacity Benefit advisers”. Then at paragraph 38: “Personal Advisers specialise in helping a particular group of customers and often have a considerable knowledge of their associated benefits; for example, they may specialise in working with disabled customers or lone parents.” That is entirely contradictory, is it not?

Ms Strathie: Is your question around whether we have specialist advisers dealing solely with specialist groups?

Q18 Mr Wright: I have a constituency in the North East of England where we have a high percentage of people who are economically inactive for a whole range of reasons—incapacity benefit, lone parents, that sort of thing—I would like to take comfort from the fact that the DWP and Jobcentre Plus are targeting those groups with real skilled people. I take comfort from that to some extent with paragraph 38, but two paragraphs earlier I do not take any from it at all because you do not really know what sort of person you are employing. All I am saying is do those two things not marry up?

Ms Strathie: We absolutely know how many of each particular type of adviser we have. Advisers start off with a generic set of models for the learning and development to be an adviser and then they follow different routes, depending on whether they are

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going to be a lone parent adviser or an incapacity benefit adviser. You have to remember scale and context here. If it is a very small office, perhaps in a rural location, an adviser will have to deliver to all customer groups, or to two or three different customer groups. They will have to be multi-skilled and have all of that. In a large conurbation advisers will specialise in one group.

Q19 Mr Wright: Are you saying that for my constituency of Hartlepool, which is an urban area of 90,000 people with high levels of deprivation and high levels of economic inactivity, you will expect to see specialised people working with targeted groups of individuals?

Ms Strathie: Yes, absolutely. That does not mean that once I become a lone parent adviser I will never learn how to be any other kind of adviser. People are on a career path of gradually increasing their knowledge and being able to work across those groups.

Q20 Mr Wright: As you can imagine, I get a lot of casework relating to Jobcentre Plus and I have to say that the district manager of Jobcentre Plus in my area is absolutely first class and it is probably the best agency in responding to me promptly out of everybody I deal with, so I would thank you for that. A common theme that comes out is that on a face to face basis the individual Personal Advisers are absolutely first class; the Contact Centre is downright ineffectual and I think this Report shows that. I am concerned that people's experience of Jobcentre Plus is not good because the Contact Centre gives them contradictory/conflicting advice. Can you elaborate on how that is going to improve?

Ms Strathie: There are quite a number of things in there. Our Contact Centre network delivers a whole range of services from being the first contact if you want to make a working age claim, and that is very much about data collection and then telling the customer what evidence is required in order to access that.

Q21 Mr Wright: A common theme is: I have lost my job. These are not long-term unemployed. There is a theme of people really wanting to get into the job market again straightaway. I have lost my job on the Monday. I have contacted the Jobcentre Plus on the Tuesday. The people in Hartlepool were very, very helpful, but I mentioned the Contact Centre. They have lost my details and I have had to give them again and they have lost them again. This is a recurring theme in my caseload time and again. The contact centres are letting constituents down.

Ms Strathie: I am really sorry to hear that because I am quite proud of the Contact Centre network we have built and the improvements we have made in terms of the calls we answer and the speed we answer them at.

Q22 Mr Wright: You keep losing files on my constituents.

Ms Strathie: I would be very happy to take that up outside of the Committee. It is a huge change programme. We had about 15 months ago six weeks of serious difficulties in seven or so of our Contact Centres and we have put that well behind us. If that is still an issue then I would want to know and in the mean time I thank you very much for what you said about my district manager.

Q23 Mr Wright: Can you talk a little about regional performance of Personal Advisers? It says in paragraph 19 that: "International comparisons suggest that Personal Advisers have a positive impact". The more that you actively participate in trying to change things, the more the employment rate will improve. Is it not just the case that we have had a very buoyant economy over the last 10 years because of a whole range of things that the Government has done and other things that employment rates were bound to increase? You see that in London and in the South East. In my patch where there are real problems with employment and inactivity because of deprivation and illness we have not seen the same successes. Personal Advisers have not had that much of an impact, have they?

Ms Strathie: Could I ask Ms White to answer that question because she has the policy responsibility here.

Ms White: The analysis that we have done has not been region by region but it has tried to separate out how far this is about the work that Jobcentre Plus has done and how far this is about having a benign economy. It shows that even with the economy performing as well as it has, the programmes which have a very high content in Personal Advisers generally perform twice as well. If you are lone parent rated then you deal with lone parents because it is twice as likely to get into a job. That is across the country now. There are likely to be regional variations in there which we have not picked up, but the impact is above and beyond the impact of the economy though.

Q24 Chairman: You have mentioned this problem of contact centres. The reference here is in figure 10, page 20: "Personal Advisers were concerned at the amount of time they spend correcting contact centre errors . . ." so it is in the Report. It does not seem from reading the Report that you know the scale of the problem caused by the contact centres. You may or may not want to comment on it more, but it is a subject that we may want to return to in our Report.

Ms Strathie: I think that is a separate point from what Mr Wright was saying about loss of documents, *et cetera*. The Minister announced a few months ago our plan to revamp the first contact for handling claims for benefit and the introduction of an 0800 free phone number. One of the difficulties in the contact centre network is the amount of information we need from the customer in order to make the claim processed and ready. That includes telling the customer the evidence that is required by regulation before they can access the benefit. Very often the point at which a new claims Personal Adviser is interviewing the customer, the customer

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has not brought the information or it has not been gathered at the Contact Centre. We are heavily reliant on what the law asks us to obtain from customers and sometimes we have several attempts and the customer has 30 days to provide the information. We are trying to drive a service where we help the customer to help us process their payments.

Mr Wright: I looked at figure 10 and it was entirely in keeping with the experience of my constituents. The contact centre errors do seem to be a recurring theme that my constituents tell me.

Q25 Chairman: Mr Williams has reminded me that in paragraph 63 it says here: “We [the NAO] obtained records from two sites we visited which showed errors occurring several times a week (40 incidents in 17 days at one site, and 89 incidents in 10 days at the other site)”. It seems that the National Audit Office has managed to get some useful information which perhaps your own organisation has not been so diligent in obtaining.

Ms Strathie: We have looked very hard at what did happen in the early days and what probably was happening at the time the Report was done, but we accepted this Report as it is. What I was trying to say is we recognise that we needed to standardise our processes, we needed to improve them, we needed to upskill our people. We have done a large number of big releases on our IT system to make it easier for people to gather that information. I am not refuting the difficulty. My concern was specific to your constituency about how much you said was currently going wrong and I would still like to take that up outside of the Committee.

Q26 Mr Dunne: You currently have 9,300 Personal Advisers. Does each Adviser retain a personal responsibility and relationship for each of the cases that they look after?

Ms Strathie: They do while customers are going through that caseload intervention period. The Personal Adviser service is built on a series of interviews and a series of handovers to others, depending on the customer group and the length of time they have been away from the labour market, so advisers caseload their customers and work with them because that is most important. If you come back into the system having been out of it or ad hoc then you might be allocated a new adviser.

Q27 Mr Dunne: For example, on page 27 there is a very helpful table explaining the process of interviews. If you look at lone parents claiming income support there are subsequent interviews 12 months after an initial claim. That will be undertaken by the same Personal Adviser who interviewed at the initial stage?

Ms Strathie: No, I would think it is unlikely to be because the new claims intervention is a single process and then people, if you are claiming Jobseeker’s Allowance, for example, you would come in every two weeks as required to provide evidence of unemployment and have additional support. At the six months stage of unemployment

you would have an adviser allocated to you in that process. You would have your Personal Adviser to help you because you have now been away from the labour market for six months and whatever help we have been giving you or you have been helping yourself back to work clearly has not worked, then you would be allocated a Personal Adviser and the caseload process would start.

Q28 Mr Dunne: How many offices do these Personal Advisers work from?

Ms Strathie: We are rolling out the new model and we are almost at the end of that roll-out of the new Jobcentre Plus offices. We have 870 of 880 but we still have a number of old social security offices not quite closed yet.

Q29 Mr Dunne: How many offices have you closed in the Pathways areas in the last couple of years?

Ms Strathie: I do not know the answer to that in Pathways areas specifically. Since we started the roll-out programme, which I would like not to see as a closure programme because it was a huge investment by government in our new network and our new model and a completely different type of service, so as we have rolled out 870 approximately—I think that is the number today—of those new ones we have probably closed about 600 old style and small offices.

Q30 Mr Dunne: If you ignore the distinction between Pathways and non-Pathways areas, the numbers you are giving us are covering the whole country.

Ms White: Yes.

Q31 Mr Dunne: If you add 870 to 600 you get to the total number of offices you had before the programme began.

Ms Strathie: We had roughly 1,450 outlets. That includes old job centres, old social security offices and some outreach services.

Q32 Mr Dunne: If individuals who need to get to work focused interviews because they are mandatory in order to receive their benefit, the number of offices offering that interview has declined very significantly over the period.

Ms Strathie: Not completely in terms of new relations with the customers. The vast majority of offices are full-time. We have part-time offices. We carry out advisory interventions in other locations of our partners and so on. One does not equate to the other easily, but the total number of the network is smaller, yes.

Q33 Mr Dunne: In my area at least I have experience of office closures. Benefit recipients are now being encouraged to travel, in some cases very large distances, in order to get to their interview. Do you have an assessment of what is an acceptable distance for benefit claimants to have to travel? Do you have minimum criteria when you allocate your office closure programme?

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Ms Strathie: We have extensive criteria in working out what the new network would look like which was heavily consulted upon as well. For example, a lot of the offices that closed were old style social security offices. They never did conduct work focused interviews; this was something that happened in job centres. Again, it is not a direct translation. What we have done is worked with local partners, worked with local stakeholders to look at what the network coverage could be including outreach services, flexible delivery as well as a standard Jobcentre Plus because so much of our transactions now are conducted through e-channels or telephony.

Q34 Mr Dunne: For work focused interviews these are one-on-one interviews with experienced personnel which you cannot outsource to other partners unless you are doing it under contract and they are full-time engaged for you, I assume.

Ms Strathie: We do. A lot of the advisory services in employment zones are delivered by other partners already.

Q35 Mr Dunne: They are contracted to do that and that is a full time occupation for the Advisers?

Ms Strathie: Yes, we contract that part of the process to the private sector to deliver those advisory services. Depending on the location, if you were a lone parent or you were a Jobseeker's Allowance customer, you would be getting your support through the private sector employment zone rather than by coming each time to a Jobcentre Plus office.

Q36 Mr Dunne: The claimant has to attend an interview somewhere. That location may vary according to the area in which the person lives.

Ms Strathie: Yes, as indeed it always did.

Q37 Mr Dunne: A major focus of this Report is on the inefficiency from appointments that are not kept. It seems to me from reading it that there are very few solutions offered here from the analysis provided as to what you could do about that. In my experience a number of individuals fail to turn up to appointments because of the distance that they have to travel to get to the appointment. They may be lone parents for whom it is difficult to make childcare arrangements. What are you doing to make it easier for those people to access interviews?

Ms Strathie: It very much depends on the type of interview we are talking about. For example, if you are a jobseeker and you cannot get to the six-monthly work focused interview then there would naturally be a conversation about why and how one is available for work and actively seeking work, because most job centres are within easy access of public transport.

Q38 Mr Dunne: I am concerned about those that are not within easy access where people have to possibly take public transport for many miles and many hours, which is the case in my area. For example, do you offer travel cost assistance to attend interviews?

Ms Strathie: We do not for the initial claims for benefit.

Q39 Mr Dunne: Is that something you ought to think about, given the cost to the service of these failed appointments?

Ms Strathie: It has certainly been the requirement for people to attend for work focused interviews and the interviews where we require them we do refund but not at the initial claim stage. That is one of the reasons that we have introduced our Contact Centre network where people now can start that process of having their claim taken, they can start the process of having their advisory interviews booked, et cetera, without leaving home. They can do that from a landline and will be able to do it from a landline at no cost.

Q40 Mr Dunne: You are conducting interviews over the telephone now.

Ms Strathie: Yes, we have been for some time for the new claims process. A significant amount of our job brokering work is through Jobcentre Plus direct—that is on the telephone—and indeed a lot of our customers help themselves through our website.

Q41 Mr Dunne: I would urge you for those where you need to have face to face interviews where distance is an issue, particularly in rural areas, to consider the relatively modest cost to the agency of providing the travel because it would help enormously those who are on very limited means to attend the meetings and therefore retain their benefits. The telephone issue takes me on to the next point I wanted to raise which is the proportion of claimants who have mental health problems. I was interested to note on table 11 on page 21 that much the highest proportion of those who miss interviews are those on incapacity benefit and a large proportion of those will be suffering from mental illness. I believe it is approximately 40% of incapacity benefit claimants suffer from mental problems. What assessment can you make for an initial claim as to whether it is appropriate or not to make an assessment over the telephone?

Ms Strathie: Starting with the 40% of customers who we believe have some form of mental health problem in relation to those customers who are currently on incapacity benefit, we have done an extensive amount of work on the needs of that group with the health professionals and professional help is very much part of the Pathways package. When a customer phones in the first place to claim a benefit most customers have a view of which benefit they wish to claim—for example, I have a medical certificate, I am sick or I have had to give up work—so our agents are trained to handle that in their interventions with the customer to find out exactly what their circumstances are and then to book the appropriate intervention. We have been piloting Pathways for how long now?

Ms White: Since October 2003. As you possibly know, with incapacity benefit the first work focused interview does not take place until somebody has been claiming benefit for eight weeks. There is also quite a lot of flexibility particularly thinking about people with mental health conditions to vary the conditionality. Even in Pathways areas where

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somebody has to go for six work focused interviews, there is a lot of flexibility for the adviser to waive the interview or to delay it if it is not appropriate in terms of somebody's medication cycle or general wellbeing.

Q42 Mr Dunne: I am concerned at how easy it is to make an assessment of in particular mental health conditions over the telephone. In many cases people over the telephone can give an impression of much more suitability for work than they would if you were seeing them face to face. I would like you to comment on how you can train people to do this and how well you train your Personal Advisers generally to recognise a mental health issue?

Ms White: It is a different process. Within incapacity benefit there are two lots of specialists: there are Ms Strathie's Personal Adviser specialists who are helping somebody back to work but there are also health professionals who do something called a personal capability assessment. That is an assessment made normally about 28 weeks into an incapacity benefit claim as to somebody's wellbeing, mental or physical condition. They are either doctors or they are other health professionals who are making that assessment, not Jobcentre Plus Personal Advisers.

Q43 Mr Bacon: Could I start by asking about figure 6 on page 15 where it sets out the metrics for Jobcentre Plus compared with various benchmark organisations, including a Dutch government agency. You will see there that it says: "Advisers' expected customer facing time"—60% Jobcentre Plus, 80% for the Dutch, WorkDirections is 80-90%. What single thing do you think could do most to get the 60% number for Jobcentre Plus up?

Ms Strathie: There is no direct comparison at all and indeed I applaud what the NAO did to try and draw out those benchmark organisations. If we take the Dutch organisation, for example, they only deal with customers up to six months' unemployed. It is a different service and it is those who are closest to the labour market they are handling. That is one issue.

Q44 Mr Bacon: Whereas Personal Advisers here do that plus beyond six months?

Ms Strathie: Exactly. We have Personal Advisers at the new claim stage to set up the contract of rights and responsibility and help and then the Personal Adviser service kicks in really at six months onwards and there are different durations of length of unemployment. If you are a jobseeker, lone parents obviously and incapacity benefit and disability advisers, so it is a completely different service that we are running for people at different points and need.

Q45 Mr Bacon: That said, you still have a considerably greater degree of expected customer facing time. You are going to have to do something, are you not? It says in paragraph 33: "... there is no reason to believe that there are too many advisers at present." In the following paragraph: "... the need for suitable Personal Adviser support will be

substantially increased". That is because of the various changes outline in the 2006 Welfare Reform Bill. Again, later in that paragraph it says: "Jobcentre Plus will need to explore different solutions such as recruiting additional staff, further redeploying staff to the frontline, and altering the interview schedule ...". Taking those three in turn—recruiting additional staff—what are your headcount plans?

Ms Strathie: Our headcount plans overall are to reduce further to March 2008, not Personal Advisers specifically but for the business.

Q46 Mr Bacon: This paragraph is about Personal Advisers and my question on headcounts is about Personal Advisers. What are your headcount plans for Personal Advisers?

Ms Strathie: We need to remember Jobcentre Plus delivers the bits of the support package that ministers agree that it is going to deliver. The resources that Jobcentre Plus has allocated and its headcount challenge that it has to March 2008 is the challenge for the organisation. Overall, DWP had a headcount reduction of 40,000 gross.

Q47 Mr Bacon: I am not asking about DWP. My question is about your headcount plans for Personal Advisers. It may be one of three things: they can go up, they can go down or they can stay the same. What are your headcount plans for Personal Advisers?

Ms Strathie: My plans are to maintain the level we have.

Q48 Mr Bacon: That is roughly at 9,300.

Ms Strathie: At March 2008, 9,300, yes, that is correct, because I do not have any allocation beyond that.

Q49 Mr Bacon: You mean that until the Comprehensive Spending Review is out of the way you will not know what you are capable of doing beyond March 2008?

Ms Strathie: DWP settled early. It was one of the Departments that did.

Q50 Mr Bacon: It is an internal departmental wrangle to figure out what you will get after that, is it?

Ms Strathie: The process of planning how we live within those means and what we do as a department through to 2010-11 is something that we are just at the early stages of.

Q51 Mr Bacon: You are expecting to be 9,300 up until March 2008 and thereafter you do not know what is going to happen.

Ms Strathie: I have no plans to reduce those Advisers from the job that they are doing but I have to live within the total allocation. I would expect it to increase if I was doing more work with incapacity benefit advisers. I would expect it to be up, not down.

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Q52 Mr Bacon: There are two other areas there: redeploying staff to the frontline and altering the interview schedule to make interviews shorter or less frequent. Those are both commonsense; you can do one, the other or both. Are there any specific plans to make interviews shorter? Having done the calculation of 28 interviews divided by five being 5.6, I am slightly sympathetic to what Mr Wright was saying, that is not quite six a day—three in the morning, three in the afternoon—plus phone calls, general hassle, buying a sandwich. You can see how in a working day that six would be eaten up. It is not easy to see how you could get to nine or 10 unless you make them very snappy ten minute interviews, in which case the productivity out of those interviews might decline significantly. Are you looking at making interviews shorter?

Ms Strathie: No.

Q53 Mr Bacon: You are not?

Ms Strathie: As you spelt out, there are a number of choices. If we just look at the advisory resource *per se*, we want the advisory resource to be efficient, but I need to look at the totality of what Jobcentre Plus has to deliver. If my challenge was the same as the department's 5% year on year, I need to find that from the entire business, not specifically from the advisers. As I said earlier, we do not know what the right number is or the right amount of time. This is built on history so far.

Q54 Mr Bacon: The right number of?

Ms Strathie: The right number of interviews. We do not want to suffer on quality. There is no point in having a sausage machine approach that does not help anybody get into work.

Q55 Mr Bacon: In paragraph 36 it says: "Jobcentre Plus' understanding of staff numbers is limited . . . To arrive at a better approximation of the number of Personal Advisers, Jobcentre Plus has adjusted the headline figure downwards by 13.5%". How difficult can it be to have an accurate idea of how many people you employ? How do you pay them? Do they all get paid? Presumably each of them has a bank account and each of them gets money paid from the taxpayer into that bank account. You must know into how many bank accounts you are paying salaries.

Ms Strathie: We do know the total number of Advisers. We do know that they get deployed according to the business volumes and requirement. We have a breakdown of how many we have of each particular type and, as I have already mentioned earlier, they do multi-tasking. What we had was what I would regard as inadequate information from our activity based information that we were using and what NAO looked at when they came in. What we have done now as part of our roll out of a big resource management system, a transformation programme in the Department, we have adopted new model using activity-based management and built up a much better picture of unit costs and deploying that to use for productivity. It will be better. We will have a much greater handle on what

each of our Advisers are doing but it may well change the baseline because you cannot really compare like with like.

Q56 Mr Bacon: Is it possible that you could send the Committee a more detailed note about that and when you expect it to have bedded down?¹

Ms Strathie: Yes, we would be very happy to do that.

Q57 Mr Bacon: In paragraph 54 it says: "Some missed interviews . . . are caused by customers who have found a job. Others fail to attend even though they may miss out on benefits or face penalties . . ." It goes on: ". . . sanctions may be applied, which for Jobseeker's Allowance customers means their benefit is terminated, while for Income Support customers they can lose up to 20% of their benefit for every time they fail to attend." This may be a question for Ms White. How often are sanctions applied?

Ms White: For lone parents on income support in about 4% of cases sanctions are applied.

Q58 Mr Bacon: Do you mean 4% of cases where sanctions could be applied they actually are applied?

Ms White: 4% of the total caseload. For Jobseeker's Allowance it is higher at about 10%.

Q59 Mr Bacon: I am not talking about the total caseload. In those instances where it would be possible, according to your own rules, to apply sanctions, how often are sanctions applied?

Ms White: I think the cases are probably overturned at decision making about 50% of the time.

Ms Strathie: I think it is slightly less than 50%. We have a range of sanctions but presumably you want me to focus just on the sanctions for people who fail to attend.

Q60 Mr Bacon: If you could send us a note about that too, that would be really helpful. In those circumstances out of that universe of people where you could apply sanctions, not the total caseload, it is broken down by category—lone parent, incapacity benefit—how often are sanctions actually applied?²

Ms Strathie: Yes, we will do that.

Q61 Mr Bacon: Finally I have a question about IT. On page 25 it says: "IT systems are fundamental to Personal Advisers' work, but Advisers have some concerns . . . Future improvements could include: being able to cut and paste information from one screen to another". I remember this coming up some years ago. Your computer supplier for Jobcentre Plus is EDS, is that right? Mr Owen is nodding.

¹ *Note by witness:* The new Activity Based Management System (ABM) aims to reduce costs by eliminating inefficiency and improving customer service by minimising performance variation. It will be used in 2007/08 to develop a clear understanding of productivity for the key activities in the business and identify and agree benchmarks on both current and future costs and productivity.

² Ev 10–11

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Ms Strathie: Yes, that is right.

Q62 Mr Bacon: We happen to know that EDS is making a profit margin of 30% on its work with DWP. You might have thought that for a 30% profit margin you could get cut and paste thrown in, would you not? Why is this still coming up after we first heard about this problem several years ago?

Ms Strathie: We are going through a technology refresh at the moment which primarily will allow our advisers to open several windows at the same time in a much more user friendly manner. That is probably the briefest way of answering your question.

Q63 Mr Bacon: Does it include cut and paste?³

Ms Strathie: I do not really understand it.

Chairman: Send us a note on that point.

Q64 Mr Mitchell: Figure 1 on page 6, different categories of advisers and different programmes, are they all basically doing the same job? It is just that Jobseeker's Allowance people, for instance, specialised in that area mainly advising young people, but the basic job is still finding them permanent work. It is just that they specialise in that category of claimant.

Ms Strathie: Yes. The basic job is the same approach. The range of help is different. If you are delivering New Deal for 18-24 year-olds it will be a very much longer and more intensive process, but the elements of the job are the same. You need a different range of knowledge. If you are dealing with lone parents you have to understand the local infrastructure in childcare, for example.

Q65 Mr Mitchell: A financial assessor checking claims can interrupt the work of the advisers. Why is that? Why is the same adviser not doing both?

Ms Strathie: The financial assessor role was introduced when we brought in the new model to try and speed up handling for the customer. We are trying to give advice to the customer on the information they gave the contact centre and on the evidence they have been asked to bring the likelihood of their benefit proceeding. Quite often it is interrupted because customers still fail to bring the evidence required for the interview. The NAO audit of Advisers showed the irritation of Personal Advisers of how many times they are interrupted by telephone calls and others.

Q66 Mr Mitchell: The target for people to get back into work must differ by region or the achievements must differ by region. The figures we have are overall

figures. Can you give us some figures by regions? In areas of high unemployment it must be more difficult to get work for people?

Ms Strathie: We certainly measure the outcomes for each of the English regions and Scotland and Wales. We can certainly tell you the targets and delivery by regions as well as the employment and unemployment rate.

Q67 Mr Mitchell: Can we have them by regions?

Ms Strathie: Shall we write to you with those if you want us to go through each of the regions?⁴

Chairman: Yes, please.

Q68 Mr Mitchell: Do immigrants and East European arrivals—Poles, for instance—do they use the service?

Ms Strathie: We see very few migrants in terms of benefit customers.

Q69 Mr Mitchell: Why is that? Do they find their own jobs?

Ms Strathie: Most of them come over here to work and are in work. We do see these customers in relation to their applications for National Insurance numbers but that is something else.

Q70 Mr Mitchell: They can find jobs without your service!

Ms Strathie: Yes, and I am very happy that they do. We exist to help those who most need help.

Q71 Mr Mitchell: The proportion of no shows at interviews is higher among claimants.

Ms White: Do you mean incapacity benefit claimants?

Q72 Mr Mitchell: Yes.

Ms White: There are certain types of claimants for whom the no show rate is higher. Is that your question?

Q73 Mr Mitchell: Yes. Why is that? Is that incapacity people find more difficulty in showing up?

Ms White: Yes.

Q74 Mr Mitchell: It also says that a proportion decide not to pursue a claim. Is that they do not pursue their desire for a job or they do not pursue a claim for benefit?

Ms Strathie: Sometimes when we invite people for an interview they decide that they no longer wish to claim; that is the reality. Some people who fail to turn up for a Personal Adviser interview do not turn up again or let us know that they no longer wish to claim.

Q75 Mr Mitchell: Mr Bacon asked about the sanctions which seem to operate in a fairly small proportion of cases. At whose discretion is that? Is that the officer or is that a departmental local decision?

³ *Note by witness:* There is already in place a facility to cut and paste from one LMS screen to another and between IT applications. As part of our aim to continuously improve our IT we have commissioned work which allows the push and pull of certain data across IT systems. This reduces further the necessity for double keying. Where data cannot be replicated in either of these ways it is generally due to security accreditation issues but we continue to monitor and explore any areas where a duplication of input can be avoided.

⁴ Ev 11

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Ms Strathie: It is described in the regulations what the requirement is for the customers. If we write to a customer and ask them to attend for a work focused interview and they fail to attend, then we will write to them again and offer another interview in 14 days. If they fail to attend again then we will take action to consider what sanction needs to be applied. The framework that we are required to work under makes it clear that we do not just stop somebody's money when they fail to attend one interview.

Q76 Mr Mitchell: You are going to supply us with the figures Mr Bacon asked for by category of claim.

Ms Strathie: Yes.

Q77 Mr Mitchell: I am an admirer of the service. I think it works well in Grimsby but I fear for your future because you have Gershon efficiency targets, you are going to have to reduce staffing numbers and you are going to have to take on new and more difficult categories that have to be helped back into work because of the Government programme. Are you going to be able to cope? If you are going to be reducing staffing numbers it is going to reduce the efficiency of the back-up service for the officers who are actually doing the employment search, is it not?

Ms Strathie: If you have a reduced budget, rising costs and a reduced headcount then you have to be smart about how you do things.

Q78 Mr Mitchell: You have either got to fiddle the figures or cut down the amount of time at the interview phase that people are dealing with. It is a bit unrealistic at the time when these people are doing such good work to assume that you can increase the numbers that they have to see and cut down the numbers backing them up.

Ms Strathie: I am very grateful that you are an admirer of the service because we are very proud of our Personal Advisers and the job they do and the difference that they make. My challenge as Chief Executive of Jobcentre Plus is to be able to balance all of those challenges. That is why it is important that we have our Advisers doing the right thing and we have the right people doing the right things: adviser support, free up time so the advisers can do more, better management focused on the advisers rather than the whole band with running a big Jobcentre Plus office and making sure they get the right tools to do the job. It has been an enormous

challenge to transform this business and reduce by 15,000 people but we have achieved it and we will carry on with that challenge.

Q79 Mr Mitchell: You have studied the system in America as it developed, particularly I see in the Clinton reforms. Is their system more coercive than ours? What is the biggest difference between them?

Ms White: It is more coercive but it is also that the cultural differences are so huge. The welfare system in the States is essentially only supporting lone parents and there is such a strong culture in which women go back to work within three months of having their child—this is certainly the rates for married women—with very little maternity leave. There is a culture and an expectation that women principally who are also on welfare ought to go back to work when their children are tiny. The Wisconsin experiment, for example, was very successful. There are time limited benefits you can have. You have a five-year limit over your life when you are allowed to claim welfare and once your youngest child hits three months old you are expected to return to work and get the support that is around. That compares with where we are with income support where, although we do work focused interviews, single parents are not required to move on to Jobseeker's Allowance until their youngest child is 16. Internationally we are at different ends of the spectrum.

Mr Mitchell: It is better to be British.

Q80 Chairman: Surely you agree that it is absurd to force women with young children back into work and then for the state to pay for very expensive childminding? That is the American approach.

Ms White: In the States it has saved money because although initially the costs are significantly higher for childcare because women tend to get jobs and stay in work for longer actually there have been huge savings. I forget the precise numbers but it is something like 30 or 40% in some States.

Q81 Chairman: Has anybody assessed what it means for the child? The mother is effectively forced back into work; the child is given to a childminder paid for by the state. Does anybody assess in Wisconsin what it means to the child?

Ms White: The analyses of the social and developmental impacts have only just been done. Most of the analyses have been focused around financial and economic impact.

Chairman: That is very interesting. There is a division now. That concludes our inquiry.

Supplementary memorandum submitted by the Department for Work and Pensions

Question 60 (Mr Richard Bacon): *In those circumstances out of that universe of people where you could apply sanctions, not the total caseload, it is broken down by category—lone parent, incapacity benefit—how often are sanctions actually applied.*

Where a Jobcentre Plus adviser has grounds for believing that a JSA customer is not fulfilling the conditions for receiving the benefit, they may refer to a Sanction Decision Maker (SDM) for a decision on the claim. The SDM will decide the case on the evidence presented, which will include evidence submitted by the customer. The decision will be based on whether or not it is felt the claimant had just cause for not

fulfilling the conditions of receiving JSA. The table below provides a breakdown, by Region, of the number of Fail to Attend referrals that attracted a sanction. We do not collect this information broken down by customer group.

	<i>Fail to attend referrals</i>	<i>Fail to attend sanctions</i>	<i>Fail to attend sanction rate</i>
East of England	9,480	7,300	77%
East Midlands	9,470	7,360	78%
London	20,490	16,760	82%
North East	11,810	10,000	85%
North West	17,390	14,090	81%
Office for Scotland	22,520	18,380	82%
South East	13,020	10,500	81%
South West	8,950	7,100	79%
Office for Wales	7,870	6,610	84%
West Midlands	16,860	13,710	81%
Yorkshire & Humber	16,940	12,690	75%

NB—The referral rates for JSA include referrals for all non-attendance fail to attend at the jobcentre ie signing as available for work and advisory meetings. It is not possible to separate out the FTA by type of appointment.

Question 67 (Mr Austin Mitchell): Can we have them by regions (Targets and employment and unemployment rate)

JOB OUTCOME TARGET PERFORMANCE—CUMULATIVE APRIL TO JULY 2006

<i>Region</i>	<i>Job Outcomes</i>	<i>Overall Points</i>	<i>Points Target</i>	<i>% Achievement</i>
East Midlands	40,390	263,256	314,764	84.2%
East Of England	41,706	244,043	287,562	84.9%
London	53,811	425,368	515,382	82.5%
North East	30,812	220,488	285,844	77.1%
North West	71,778	508,953	638,969	79.7%
Scotland	58,000	394,658	512,598	77.0%
South East	51,675	314,870	372,400	84.6%
South West	40,801	254,084	306,049	83.0%
Wales	30,953	216,055	266,750	81.0%
West Midlands	51,129	345,039	433,693	79.6%
Yorkshire & the Humber	50,549	341,491	424,420	80.5%
National	521,604	3,528,305	4,356,431	81.0%

The job outcome target is expressed in points. Points are awarded for each job outcome on a sliding scale depending on the client group; for example, the harder to help into work attract a higher number of points. The data is extracted from P45/46 information from Her Majesty's Revenue and Customs employment data to identify when our customers start work.

EMPLOYMENT AND UNEMPLOYMENT LEVELS AND RATES BY GOVERNMENT OFFICE REGION—OCTOBER 2006 TO DECEMBER 2006

	<i>North East</i>	<i>North West</i>	<i>Yorks & Humber</i>	<i>East Midlands</i>	<i>West Midlands</i>	<i>Eastern</i>	<i>London</i>	<i>South East</i>	<i>South West</i>	<i>Wales</i>	<i>Scotland</i>
Employment Level	1,079,490	3,004,440	2,263,273	1,994,547	2,342,160	2,586,014	3,388,023	3,944,078	2,341,865	1,262,680	2,378,989
Employment Rate	70.9	73.2	74.0	76.7	73.2	77.2	69.4	78.8	78.4	71.6	76.3
Unemployment Level	76,232	167,208	145,989	121,856	169,702	120,920	299,264	179,352	97,473	73,954	127,704
Unemployment Rate	6.4	5.1	5.9	5.5	6.5	4.3	7.8	4.1	3.8	5.3	4.9

NB—Information supplied by Labour Force Survey Microdata (ONS).

Further supplementary memorandum submitted by the Department for Work and Pensions

NEW 0800 SERVICE FOR JOBCENTRE PLUS CUSTOMERS

As you may recall, when I appeared before the Committee in March last year to respond to the NAO report—*Delivering effective services through contact centres*—I was asked by members of the Committee about our then current policy of using so called “low cost” 0845 numbers for many of our contact services. In its subsequent response in January this year to the Committee’s report following the hearing, the Department noted that Jobcentre Plus had decided to implement a national 0800 services for all of its customers who wish to make new or repeat claims to benefit.

I am pleased to be able to report to the Committee that the national rollout of this programme, which began in January, was successfully completed at the end of May.

This means that anyone now making a new or repeat claim to the main Jobcentre Plus benefits (Income Support, Jobseeker’s Allowance or Incapacity Benefit) can do so by calling a new national 0800 number. Staff no longer need to call the customer back in the majority of cases, so the claims process is quicker and clearer for customers. The service is free from UK land lines. Jobcentre Plus staff advise customers to use land lines wherever possible as mobile telephone operators may impose charges. Jobcentre Plus is continuing to offer a call back service to customers if they have no alternative to using a mobile phone.

Jobcentre Plus have advertised the new 0800 number (with Welsh Language and textphone alternatives) by means of posters and flyers in local jobcentres and selected external organisations such as Citizens Advice Bureaux. Customers who call the old 0845 number hear a message redirecting them to the new 0800 number.

I very much hope that the Committee will welcome this development.

I am writing in similar terms to the Chairman of the Work and Pensions Select Committee.

Leigh Lewis
